Besalon International Ltd & Ors v South Strong Industries Sdn Bhd

HIGH COURT (KUALA LUMPUR) — ORIGINATING SUMMONS NO D5-24-10-1996
KAMALANATHAN RATNAM JC
20 NOVEMBER 1996

Patents *— Registered designs — United Kingdom Designs (Protection) Act 1949 — Infringement — Whether plaintiffs were persons who were prejudicially affected by registration of defendant's design — Whether novelty in defendant's design lost due to prior publication of the design in Malaysia — Whether holding company entitled to enforce shared goodwill of group — United Kingdom Designs (Protection) Act 1949 s 5 — United Kingdom Designs (Protection) Ordinance (Sabah) s 4 — Designs (United Kingdom) Ordinance (Sarawak) s 4*

Words and Phrases *— 'Interests have been prejudicially affected' — United Kingdom Designs (Protection) Act 1949 s 5*

The first plaintiff was the lawful assignee and registered proprietor of registered design No 1,001,901 under the Registered Designs Act 1949 (United Kingdom) for a roofing tile design as of 10 August 1981, renewed until 10 August 1996. The third plaintiff manufactured and distributed the tiles under licence in Brunei, Hong Kong, Malaysia and Singapore. All three plaintiffs were part of the Multi Resources Group of Companies of which the third plaintiff was the holding company. The defendant was the registered proprietor of registered design No 2,043,178 for a roofing tile design as of 9 November 1994 whose design was identical to that of the first plaintiff. The plaintiffs discovered that the defendant was producing roofing tiles with an identical design and took out an originating summons as persons prejudicially affected by the registration of the defendant's tile design seeking a declaration: (a) that the defendant, despite being granted registration in the United Kingdom, did not acquire the rights afforded by such registration in Malaysia through the United Kingdom Designs (Protection) Act 1949 (West Malaysia) ('the Act'), the United Kingdom Designs (Protection) Ordinance (Sabah) and the Designs (United Kingdom) Ordinance (Sarawak) ('the Ordinances'); or (b) in the alternative, that the defendant's registration was invalid due to the prior publication of the tile design by the plaintiffs as well as the defendant through its prior use of the design in Malaysia. It was the plaintiffs' contention that the defendant had since 1992 been selling a type of roofing tile which was of the same design as registered design No 2,043,178.

The defendant filed two applications, one for an order to set aside the plaintiffs' originating summons on the basis that they had no locus standi to bring the action, and the other for an order to strike out the plaintiffs' application. Both these applications were dismissed and the defendant did not appeal.

At the hearing of the plaintiffs' application, by consent, the parties agreed that the issue to be decided by the court was whether the defendant's registered design was enforceable in West Malaysia, Sabah and/or Sarawak and whether the plaintiffs were entitled to relief. The defendant once again raised the issue of the plaintiffs' lack of locus standi to make the application.

Held, allowing the plaintiffs's application:

(1) Once a ruling was made, substantive or procedural, final or interlocutory, and the ruling was not appealed against, it must be adhered to and might not be reopened. Thus, the issue of locus standi was no longer in question and the plaintiffs were persons whose interests had been prejudicially affected under s 5 of the Act (see p 143G–I); *Hartecon JV Sdn Bhd & Anor v Hartela Contractor Ltd* [1996] 2 MLJ 57 followed.

(2) In any event, all three plaintiffs had locus standi to bring the action because they were parties whose 'interests have been prejudicially affected' due to their commercial dealings with the tiles bearing the design in issue. Shared goodwill in the tile design was accorded to all the plaintiffs because they were all part of the Multi Resource Group of Companies and this shared goodwill constituted all the plaintiffs as 'persons aggrieved'. The first plaintiff's prior rights in registered design No 1,001,901 made it a 'person aggrieved' (see pp 144D–G and 145A–B); *Teh Teik Boay v Chuah Siak Loo* [1962] MLJ 80 followed.

(3) There was no substantial difference in meaning between 'any person aggrieved' in s 20 of the UK Registered Designs Act 1949 and 'prejudicially affected' in s 5 of the Act and ss 4 and 4(1) of the Ordinances. Section 20 allowed the court to make an order rectifying the register on the application of 'any person aggrieved' while ss 5, 4, and 4(1) of the Act and the Ordinances respectively provided that the High Court shall have power on the application 'of any person who alleges that his interests have been prejudicially affected' to make a declaration that the rights and privileges of the UK registered design in question did not extend to West Malaysia, Sabah and Sarwak. The words 'person aggrieved' had no special and technical meaning and were to be liberally construed to include anyone who would be or reasonably would be disadvantaged in a legal or practical sense by a wrongful entry on the register or have a legitimate trading interest within the territorial ambit of the registration (see pp 145B–C, 146C–E and 145E–F); *Re Apollinaris Co's Trade Marks* (1891) 8 RPC 137, *Ritz Hotel Ltd v Charles of the Ritz Ltd* (1987–88) 12 IPR 147, *Re Kodiak Trade* [1987] RPC 269 and *Vlisco BV's Application* [1980] RPC 509 followed.

(4) The prior publication of the registered tile design, consisting of the prior use or manufacture of goods or objects to which the

design had been applied and/or the prior disclosure to the Malaysian public of the design in documents that were publicly available, destroyed any claim to novelty and rendered the defendant's registered design No 2,043,178 unenforceable in Malaysia. It was undisputed that the defendant and the plaintiffs had manufactured, promoted, and/or sold differently-branded tiles bearing the disputed design in Malaysia prior to the defendant's registration of the design on 9 November 1994 in the United Kingdom. Thus, the design lacked novelty and was unenforceable in West Malaysia, Sabah and Sarawak (see pp 147E–F and 146H–I); *Teh Teik Boay v Chuah Siak Loo* [1962] MLJ 80 followed.

[Bahasa Malaysia summary

Plaintif pertama adalah pemegang serahhak sah dan tuan punya berdaftar rekabentuk berdaftar No 1,001,901 di bawah Akta Rekabentuk Berdaftar 1949 (United Kingdom) untuk suatu rekabentuk jubin bumbung pada 10 Ogos 1981, yang diperbaharui sehingga 10 Ogos 1996. Plaintif ketiga mengilang dan mengedarkan jubin di bawah lesen di Brunei, Hong Kong, Malaysia dan Singapura. Ketiga-tiga plaintif merupakan sebahagian daripada Kumpulan Sykt Multi Resources di mana plaintif ketiga adalah syarikat induk. Defendan merupakan tuan punya berdaftar rekabentuk berdaftar No 2,043,178 untuk suatu rekabentuk jubin bumbung pada 9 November 1994 yang mana rekabentuknya menyerupai rekabentuk plaintif pertama. Plaintif-plaintif mendapat tahu bahawa defendan menghasilkan jubin bumbung dengan rekabentuk yang serupa dan mengeluarkan saman pemula sebagai orang yang terjejas oleh pendaftaran rekabentuk jubin defendan dengan meminta suatu perisytiharan bahawa: (a) defendan, walaupun telah diberikan pendaftaran di United Kingdom, tidak memperolehi hak-hak yang diberikan oleh pendaftaran demikian di Malaysia menerusi Akta Rekabentuk (Perlindungan) United Kingdom 1949 (Semenanjung Malaysia) ('Akta tersebut'), Ordinan Rekabentuk United Kingdom (Perlindungan) (Sabah) dan Ordinan (United Kingdom) Rekabentuk (Sarawak) ('Ordinan-Ordinan tersebut'); atau (b) sebagai alternatif, bahawa pendaftaran defendan adalah tak sah memandangkan penerbitan dahulu rekabentuk jubin oleh plaintif-plaintif dan juga defendan melalui penggunaan terdahulu rekabentuk itu di Malaysia. Ia merupakan hujah plaintif-plaintif bahawa defendan telah menjual sejenis jubin bumbung yang mempunyai rekabentuk yang sama dengan rekabentuk No 2,043,178 sejak tahun 1992.

Defendan memfailkan dua permohonan, satu untuk perintah bagi mengetepikan saman pemula plaintif-plaintif atas dasar bahawa mereka tidak mempunyai locus standi untuk memulakan tindakan ini, dan yang satu lagi untuk perintah bagi membatalkan permohonan plaintif-plaintif. Kedua-dua permohonan ini telah ditolak dan defendan tidak membuat rayuan.

Di pembicaraan permohonan plaintif-plaintif, dengan persetujuan, pihak-pihak bersetuju bahawa isu yang harus ditentukan oleh mahkamah adalah sama ada rekabentuk berdaftar defendan boleh dikuatkuasakan di Semenanjung Malaysia, Sabah dan/atau Sarawak dan sama ada plaintif-plaintif berhak mendapatkan relief. Defendan sekali lagi membangkitkan isu kekurangan locus standi plaintif-plaintif untuk membuat permohonan.

Diputuskan, membenarkan permohonan plaintif-plaintif:

(1) Sebaik sahaja suatu keputusan dibuat, sama ada substantif atau prosedur, muktamad atau interlokutori, dan keputusan itu tidak dirayu, ia mestilah dipatuhi dan tidak boleh dibuka semula. Justeru itu, isu locus standi tidak lagi menjadi persoalan dan plaintif-plaintif adalah orang yang mana kepentingan mereka telah terjejas di bawah s 5 Akta tersebut (lihat ms 143G–I); *Hartecon JV Sdn Bhd & Anor v Hartela Contractor Ltd* [1996] 2 MLJ 57 diikut.

(2) Walau bagaimanapun, ketiga-tiga plaintif mempunyai locus standi untuk memulakan tindakan ini sebab mereka adalah pihak-pihak yang mana 'kepentingan mereka telah terjejas' akibat daripada urusan komersial mereka dengan jubin yang memaparkan rekabentuk yang menjadi isu. Nama baik yang dikongsi dalam rekabentuk jubin dianugerahkan kepada semua plaintif sebab mereka adalah sebahagian daripada Kumpulan Sykt Multi Resource dan nama baik yang dikongsi ini menyebabkan plaintif-plaintif menjadi 'orang-orang terkilan'. Hak terdahulu plaintif pertama dalam rekabentuk berdaftar No 1,001,901 menjadikannya 'pihak terkilan' (lihat ms 144D–G dan 145A–B); *Teh Teik Boay v Chuah Siak Loo* [1962] MLJ 80 diikut.

(3) Tiada perbezaan yang besar dalam maksud di antara 'sesiapa yang terkilan' dalam s 20 Akta Rekabentuk Berdaftar 1949 UK dan 'terjejas' dalam s 5 Akta tersebut dan ss 4 and 4(1) Ordinan-Ordinan tersebut. Seksyen 20 membenarkan mahkamah untuk membuat perintah bagi membetulkan daftar atas permohonan 'sesiapa yang terkilan' manakala ss 5, 4, dan 4(1) Akta tersebut dan Ordinan-Ordinan tersebut masing-masing memperuntukkan bahawa Mahkamah Tinggi berkuasa atas permohonan 'sesiapa yang mengatakan kepentingannya telah terjejas' untuk membuat perisytiharan bahawa hak dan keistimewaan rekabentuk berdaftar UK berkenaan tidak dilanjutkan kepada Semenanjung Malaysia, Sabah dan Sarawak. Perkataan-perkataan 'siapa yang terkilan' tidak mempunyai sebarang makna khusus atau teknikal dan harus ditafsirkan secara liberal untuk termasuk sesiapa yang akan atau secara munasabah akan rugi dari segi undang-undang atau praktikal oleh satu kemasukan yang salah atas daftar atau mempunyai suatu kepentingan berniaga yang sah dalam rangkuman wilayah pendaftaran (lihat ms 145B–C, 146C–E dan 145E–F); *Re Apollinaris Co's Trade Marks* (1891) 8 RPC 137,

Ritz Hotel Ltd v Charles of the Ritz Ltd (1987–88) 12 IPR 147, *Re Kodiak Trade* [1987] RPC 269 dan *Vlisco BV's Application* [1980] RPC 509 diikut.

(4) Penerbitan terdahulu rekabentuk jubin berdaftar, yang terdiri daripada penggunaan terdahulu atau pengilangan barangan atau objek kepada mana rekabentuk terpakai dan/atau pendedahan terdahulu kepada masyarakat Malaysia rekabentuk dalam dokumen yang boleh didapati secara umum, memusnahkan sebarang tuntutan kepada kebaharuan dan menyebabkan rekabentuk berdaftar No 2,043,178 defendan tidak boleh dikuatkuasakan di Malaysia. Ia tidak dipertikaikan bahawa defendan dan plaintif-plaintif telah mengilang, mempromosikan, dan/atau menjual jubin yang mempunyai jenama berbeza yang memaparkan rekabentuk yang dipertikaikan di Malaysia sebelum pendaftaran rekabentuk oleh defendan pada 9 November 1994 di United Kingdom. Maka, rekabentuk itu kekurangan kebaharuan dan tidak boleh dikuatkuasakan di Semenanjung Malaysia, Sabah dan Sarawak (lihat ms 147E–F dan 146H–I); *Teh Teik Boay v Chuah Siak Loo* [1962] MLJ 80 diikut.]

Notes

For cases on registered designs, see 10 *Mallal's Digest* (4th Ed, 1996 Reissue) paras 955–956.

Cases referred to

Apollinaris Co's Trade Marks, Re [1891] 8 RPC 137 (folld)
Hartecon JV Sdn Bhd & Anor v Hartela Contractor Ltd [1996] 2 MLJ 57 (folld)
Kodiak Trade, Re [1987] RPC 269 (folld)
People's Insurance Co (M) Sdn Bhd v People's Insurance Co Ltd & Ors [1986] 1 MLJ 68 (refd)
Powell's Trade Mark, Re [1893] 2 Ch 388 (folld)
Ritz Hotel Ltd v Charles of the Ritz Ltd [1987-88] 12 IPR 147 (folld)
Teh Teik Boay v Chuan Siak Loo [1962] MLJ 80 (folld)
Vlisco BV's Application [1980] RPC 509 (folld)

Legislation referred to

United Kingdom Designs (Protection) Act 1949 ss 3, 5
United Kingdom Designs (Protection) Ordinance (Cap 152) ss 2, 4
Designs (Protection) Ordinance (Cap 59) ss 2, 4
Rules of the High Court 1980 O 28 r 8 and O 18 r 19
Copyright, Designs & Patents Act 1988 [UK]
Registered Designs Act 1949 s 20 [UK]

VL Kandan (*Michael Soo* with him) (*Shook Lin & Bok*) for the plaintiff.
Richard Huang (*Gerald Samuel* with him) (*Peter Huang & Richard*) for the defendant.

Cur Adv Vult A

Kamalanathan Ratnam JC: The plaintiffs took out an originating summons (encl 2) against the defendant seeking the following reliefs:

(1) a declaration that exclusive rights and privileges in United Kingdom Registered Design No 2,043,178 have not been acquired by the B abovenamed defendant, or any person claiming rights thereunder, in West Malaysia, Sabah and/or Sarawak under s 5 of the United Kingdom Designs (Protection) Act 1949 (West Malaysia); s 4 of the United Kingdom Designs (Protection) Ordinance (Sabah) and s 4 of the Designs (United Kingdom) Ordinance (Sarawak), respectively;

(2) in the alternative, a declaration that the entry on the Register of C Designs in respect of United Kingdom Registered Design No 2,043,178 is and has always been invalid;

(3) costs of this action; and

(4) such further or other relief as this honorable court may deem fit in the circumstances. D

The defendant filed an application (encl 6) for an order to set aside encl 2 on the basis that the plaintiffs had no locus standi to bring the action under s 5 of the United Kingdom Designs (Protection) Act 1949 (West Malaysia) ('the Act') or to convert the said originating summons to a writ action pursuant to O 28 r 8 of the Rules of the High Court 1980 ('the E RHC'), or for this action — either in its originating summons form or in its converted writ action form — to be stayed until the disposal of another suit, namely D4–22–774–94 ('the D4 action'), or for this action — either in its originating summons form or in its converted writ action form — to be consolidated with the D4 action and for any other relief.

In the meantime, the defendant filed another application (encl 15) F pursuant to O 18 r 19 of the RHC to strike out encl 2 on the basis that the originating summons disclosed no reasonable cause of action or that it may prejudice, embarrass or delay the fair trial of the action, or that it is otherwise an abuse of the process of the court, and for an order for costs and any other relief. By consent, both parties agreed that I decide on G encls 6, 15 and 2 in that order; and further, by consent, the parties presented written submissions in respect of the said enclosures.

On 23 April 1996, I dismissed encl 15 with costs. In respect of encl 6, I ordered that the originating summons be converted to a writ action. However, since the D4 action had already commenced before H another judge and was part heard, I agreed to fix an early date for the hearing of the present converted writ action. In respect of encl 2, I made no order in the light of my decision in respect of encl 6. I then fixed the case for case management to 26 April 1996 when I directed by consent that the parties are to agree on the issues which would be filed in court and that all affidavits to be used in court are to be bundled in chronological I order, and that instead of the evidence in chief being in a written statement form, the deponent of each affidavit be called to confirm the said affidavit on oath and be subjected to cross-examination, if any. I then fixed the trial

A date as 8 May 1996. On the date of hearing, the parties, by consent, agreed that the issue to be decided by the court was as follows:

> Whether United Kingdom Design Registration No 2,043,178 is enforceable in Malaya, Sabah and/or Sarawak respectively, and whether the plaintiffs are entitled to the declaratory relief and other reliefs as prayed for in encl 2.

B

The plaintiff's case

The plaintiffs then proceeded to call two witnesses. At the close of the case for the plaintiffs, the defendant elected to submit no case to answer. The court then put the defendant on notice of its election, but by consent, the C parties agreed that their respective affidavits filed and bundled in two volumes would remain to be used, if necessary. The parties agreed to give written submissions and after thoroughly analysing the submissions and the authorities submitted by both counsel, I granted the relief prayed for by the plaintiffs. The defendant, being dissatisfied with my decision, has filed a notice of appeal against my decision given on 13 June 1996 which D is with regard to encl 2. I shall therefore be giving my grounds only in respect of encl 2.

Multi Resources Industries Sdn Bhd ('the second plaintiff'), Multi Resources Manufacturers Sdn Bhd and Multi Resources Trading Sdn Bhd are subsidiaries of Multi Resources Holdings Sdn Bhd ('the third plaintiff'), E hereinafter called the 'Multi Resources Group of Companies'. The first plaintiff was at all material times the lawful assignee and registered proprietor under the Registered Designs Act 1949 (United Kingdom) as amended by the Copyright, Designs and Patents Act 1988 (United Kingdom), and the owner of the copyright subsisting in the United Kingdom Design Registration No 1,001,901 registered in the United Kingdom as of F 10 August 1981 in respect of a roofing tile. Registered Design No 1,001,901 has been renewed until 10 August 1996 and was in force in the United Kingdom and under the Act, the United Kingdom Designs (Protection) Ordinance (Cap 152) ('the Sabah Ordinance') and the Designs (United Kingdom) Ordinance (Cap 59) ('the Sarawak Ordinance'). The privileges G and rights enjoyed by the first plaintiff under the Design Registration No 1,001,901, extended to and subsisted in West Malaysia, Sabah and Sarawak. The fact of the United Kingdom Design Registration No 1,001,901 was advertised in Malaysia (including Sarawak) in the New Straits Times on 17 September 1984 and in the Borneo Bulletin on 22 September 1984 by Hunter Douglas Industries BV, the previous registered proprietor of United H Kingdom Design Registration No 1,001,901. The novelty claimed in the Design Registration No 1,001,901 resides in the features, shape and configuration of the article, being the representation of a roofing tile annexed to and forming part of Design Registration Certificate No 1,001,901. From about 1981, the Hunter Douglas Group of Companies I had manufactured and sold roofing tiles bearing the 'Luxalon' trade mark to which the Design Registration No 1,001,901 was applied in, inter alia, Malaysia, Singapore, Brunei, Hong Kong, Australia and New Zealand, through, amongst others, Hunter Douglas (Asia) Ltd and Hunter Douglas

(M) Sdn Bhd. In or about 1982, the Multi Resources Group of Companies diversified into the distribution and sales of Hunter Douglas products particularly the 'Luxalon' roofing tiles, in Sarawak. For about three years, the third plaintiff distributed 'Luxalon' roofing tiles under the agency arrangement with the Hunter Douglas Group of Companies. As the business developed, it was decided to manufacture the 'Luxalon' roofing titles in Sarawak. Thus, from November 1985, the third plaintiff began manufacturing under licence from the Hunter Douglas Group of Companies and distributing for the territories of Malaysia (including Sarawak and Sabah), Brunei and Singapore. The Multi Resources Group of Companies had been the sole manufacturer and distributor of 'Luxalon' tiles in those territories since 1985. As from 17 July 1985, the third plaintiff became the licensee of the Hunter Douglas Group of Companies in respect of Design Registration No 1,001,901 and in respect of roofing tiles to which the design registration was applied for in those areas of South East Asia covered by the design registration, being Brunei, Hong Kong, Malaysia and Singapore. The Multi Resources Group of Companies had advertised, sold and promoted the said roofing tiles bearing the 'Luxalon' trade mark under and pursuant to the terms of the licence from the Hunter Douglas Group of Companies.

The plaintiffs contended that the Hunter Douglas Group of Companies and the Multi Resources Group of Companies ('the two groups') jointly and severally had generated and were the proprietors of the reputation and goodwill in Malaysia in respect of roofing tiles having a distinctive shape, configuration and appearance (the get-up), as such roofing tiles having been advertised, promoted, sold and offered for sale by the two groups in Malaysia. The roofing tiles have been marketed as and have become known by the trade mark 'Luxalon'. It was further submitted that the two groups have, by reason of extensive advertisement and promotion of the 'Luxalon' roofing tiles in the get-up, in fact caused the get-up to be associated or identified by housing contractors, architects, builders, users and purchasers alike in Malaysia with the trade and business of the two groups and had thus acquired a proprietary right over the get-up, reputation and goodwill, and were thus entitled to the exclusive use thereof in connection and in association with roofing tiles. The 'Luxalon' tiles were distributed and sold direct by the Multi Resources Group of Companies and their appointed distributors throughout Malaysia, Singapore and Brunei. The distributors also distributed copies of brochures and other materials for promoting the 'Luxalon' tiles.

In or about 1990, the Multi Resources Group of Companies had advertised, promoted and sold roofing tiles having an identical get-up bearing the 'Besalon' trade mark in, inter alia, Malaysia, Singapore, Brunei and Hong Kong. The plaintiffs contended that the 'Luxalon' and/or the 'Besalon' tiles had a very high profile and reputation associated first with the two groups and now exclusively with the Multi Resources Group of Companies in, inter alia, Malaysia.

The defendant is the registered proprietor of United Kingdom Registered Design No 2,043,178 in respect of a roofing tile. On the

Certificate of Registration of Design No 2,043,178, it is stated that the novelty of the design resides in the shape of configuration of the article, ie a roofing tile and that the date of application was 9 November 1994, and that its registration was granted on 9 March 1995. By virtue of the fact that the defendant had been granted Design Registration No 2,043,178 in the United Kingdom, the defendant has been accorded rights and privileges in the United Kingdom and also in Malaysia, the latter being by virtue of the Act, the Sabah Ordinance and the Sarawak Ordinance respectively. The plaintiffs pointed out that they first became aware of Registered Design No 2,043,178 when the defendant served a copy of an affidavit of one Ng Hun Chew affirmed on 28 March 1995 on the plaintiffs' solicitors. The said affidavit of Ng Hun Chew was filed in respect of the D4 action between the plaintiffs and the present defendant and three others. The plaintiffs contended that the defendant ought not to have been granted design registration for its roofing tile vide Design Registration No 2,043,178 in view of the fact that the plaintiffs had advertised and sold a substantial number of 'Luxalon' and/or 'Besalon' tiles prior to 9 November 1994 and also bearing in mind that the defendant had admitted that it had advertised and sold a substantial number of 'Rexy Bond' tiles bearing a shape and/or configuration identical to the tile represented in Registered Design No 2,043,178, prior to 9 November 1994. The plaintiffs submitted that Registration Design No 2,043,178 was invalid and that its registration ought not to be enforced in Malaysia, as at the relevant date of application on 9 November 1994, novelty did not exist in the design. The plaintiffs averred that they first came to know of the defendant's 'Rexy Bond' tile at the Malaysian Building Exhibition in 1993. Since the samples exhibited thereat did not carry the name and address of its manufacturer nor the brand name, the plaintiffs had to make further enquiries and investigations before ascertaining the identity of the 'Rexy Bond' tile in March or April 1994. Some time in May 1994, the defendant had also distributed copies of its catalogues entitled 'Rexy Bond Longrun Variable Step Metal Roofing' which depicted the 'Rexy Bond' tile, the subject matter of Registered Design No 2,043,178. On 26 April 1994, the defendant's agent or representative, DY Hong Industries, sold five pieces of the 'Rexy Bond' tile to the plaintiff's representative. The defendant had prior to the date of application of Registered Design No 2,043,178, published, advertised and sold its 'Rexy Bond' tile, and the plaintiffs exhibited copies of these advertisements which had appeared in various newspapers. The plaintiffs submitted that the 'Rexy Bond' tile advertised, published and sold by the defendant is identical to the tile represented in Registered Design No 2,043,178, and further it was pointed out that through the affidavit of Ng Hun Chew affirmed on 17 November 1994 filed in respect of the D4 action, the defendant had admitted to these facts. In the circumstances, the plaintiffs argued that the design of 'Rexy Bond' tile is not new nor original as it had been published prior to its date of application on 9 November 1994. It was further pointed out to me that at the hearing of the plaintiffs' application for interlocutory injunction in the D4 action, the defendant had relied on Registered Design No 2,043,178 as a defence to the plaintiff's action for infringement of Registered Design No 1,001,901.

The plaintiffs urged upon me that by reason of Registered Design No 2,043,178, the plaintiffs' rights had been adversely affected unless Registered Design No 2,043,178 is declared unenforceable in Malaysia by this court. The plaintiffs claimed that they were 'aggrieved persons' within the meaning of s 5 of the Act and prayed for the reliefs in encl 2.

The plaintiffs submitted that having said in its affidavit supporting the application to convert the originating summons to a writ that there were 'conflicts of evidence and facts, and the law with respect to this cause could only be properly and satisfactorily resolved if oral evidence is adduced and witnesses cross-examined on their evidence', yet the defendant called no witnesses to testify. The plaintiffs also submitted that the defendant had not addressed nor disputed the issue that Registered Design No 2,043,178 was published before the date of application or registration which makes the registration invalid in Malaysia.

It is the submission of the plaintiffs that designs to be registrable in the United Kingdom must be new or original. Thus, prior publication would destroy any claim to novelty and that the question of prior publication is determined in accordance with the state of prior publication in the country in which the protection is sought. In the circumstances, it was argued that a design ought to be novel before it is registered in the United Kingdom and similarly, any prior use or publication in Malaysia would therefore destroy the novelty. With regard to prior publication, the plaintiffs relied on *Teh Teik Boay v Chuan Siak Loo* [1962] MLJ 80.

The plaintiffs further argued that they are persons aggrieved and that they are entitled to seek the declaration pursuant to s 5 of the Act, s 4 of the Sabah Ordinance and s 4(1) of the Sarawak Ordinance. It was thus submitted that the second and third plaintiffs, being manufacturers of roofing tiles being similar as those covered by the defendant's registered design, must be aggrieved persons. Further, the first plaintiff is the owner of Registered Design No 1,001,901 which the first plaintiff had licensed for use by the second and third plaintiffs and since the first plaintiff's Registered Design No 1,001,901 had been in existence since 10 August 1991, this itself would label the first plaintiff as 'an aggrieved person'.

Case for the defence

It is the case for the defence that the plaintiffs are seeking similar relief in this case as is being sought by the defendant against the plaintiffs by way of a counterclaim in the D4 action in that the counterclaim is for a declaration that the plaintiffs do not acquire exclusive privileges and rights in Malaysia. It was argued before me that should the court rule in favour of the defendant's counterclaim, the basis of the plaintiffs' claim herein would fail. A copy of the D4 action was also annexed as an exhibit to the affidavit of the defendant. The defendant contended that if the third plaintiff is the licensee of Hunter Douglas Industries BV and/or the exclusive licensee of the first plaintiff in respect of United Kingdom Registered Design No 1,001,901, then the third plaintiff had no locus standi and/or cause of action in this suit as the third plaintiff had not complied with the

provisions of the Registered Designs Act 1949 (United Kingdom) as amended by the Copyright, Designs and Patents Act 1988 (United Kingdom), and/or the said licences, even if granted, are not valid in law and/or ambiguous as to its ambit of protection. It was also urged upon me that if the third plaintiff admitted being an exclusive licensee of the first plaintiff and of Hunter Douglas Group of Companies, then the licences created as between the third plaintiff (including its subsidiaries, namely the second plaintiff and Multi Resources Trading Sdn Bhd) and the first plaintiff, as alleged, are ambiguous and/or do not determine who the actual licensee is.

It was pointed out to me that the first plaintiff had only on 7 November 1994, that is after the date of the filing of the D4 action on 24 August 1994, caused to be published in a local newspaper an advertisement claiming to be the registered owner of the United Kingdom Registered Design No 1,001,901 and that the second and third plaintiffs are the licensees of the said design. In the circumstances, the defendant denied that the plaintiffs either jointly or severally are the proprietors of the reputation and goodwill in Malaysia in respect of roofing tiles having the alleged get-up known under the trade mark 'Besalon', previously known as 'Luxalon', or have any proprietory interest in the United Kingdom Registered Design No 1,001,901. It was the contention of the defendant that the registration of the plaintiffs' United Kingdom Registered Design No 1,001,901 is and has at all material times been invalid. The said United Kingdom registered design was neither new nor original at the date of the application for registration thereof, and was before that date published in the United Kingdom and/or Malaysia in respect of the same or some other article, or differs from such a design only in immaterial details or features which are variants commonly used in the trade by reason of:

(1) Prior art of such design (tiles) as disclosed in the United Kingdom Patent Application No GB 2107620 A dated 5 May 1983. The said patent specification described the kind of tile which is the subject of the United Kingdom Registered Design No 1,001,901.

(2) The bends in the tiles are themselves merely trade variants.

(3) Common general knowledge.

Furthe r it was argued that the said United Kingdom registered design is not a 'design' within the meaning of s 1(3) of the Registered Designs Act 1949 (United Kingdom) as amended by the Copyright, Designs and Patents Act 1988 (United Kingdom) in that:

(i) the registered design does not contain or consist of any feature applied to a roofing tile by an industrial process or means which in the finished roofing tile appeal to and are judged solely by the eye; and

(2) If the registered design does contain or consists of any such feature, such feature of shape or configuration are dictated solely by the function which the roofing tile to be made in that shape or configuration has to perform.

It was also contended that if the said United Kingdom registered design had features of novelty, then these were purely matters of pattern and ornament and not shape and configuration. In the circumstances, the defendant denied any novelty in the Design Registration Certificate No 1,001,901. It was further submitted that the plaintiffs had no goodwill or reputation in Peninsular Malaysia or in Malaysia as regard their tiles, as they had not established themselves as supplier or otherwise of such tiles as compared to the defendant. Furthermore, it was contended, any goodwill or reputation enjoyed by the plaintiffs will be associated with the plaintiffs' trade mark 'Besalon', and so there will not be any confusion by the public or misappropriation of the alleged goodwill or get-up, if any, the plaintiffs might have in Malaysia or otherwise. It was also urged upon me that the plaintiffs have no locus standi to commence these proceedings as they are not prejudiced, and since the plaintiffs had not shown how they are aggrieved, the plaintiffs have no locus standi to commence this action.

It was submitted that when Parliament put a qualification on the persons who may apply under s 5 of the Act, it was intended to limit the class of persons allowed to do so, and therefore not anybody claiming an interest as such, ought to be allowed to bring an action under s 5 of the Act, but persons who can show that they are 'prejudicially affected'. With regard to the first plaintiff, it was submitted that there is no evidence of any prejudice as the first plaintiff had never utilized its registered design at all, because at no time did the first plaintiff manufacture or sell any tiles directly and there is no evidence that the first plaintiff benefited from the sale of tiles of the same design by other companies. As for the second plaintiff, it was submitted that it was not the licensee of Hunter Douglas (Asia) Ltd. Therefore, the second plaintiff had no licence to manufacture the tiles in question. The licence relied on by the plaintiff is a licence from Hunter Douglas (Asia) Ltd to the third plaintiff. It was pointed out to me, relying on *People's Insurance Co (M) Sdn Bhd v People's Insurance Co Ltd & Ors* [1986] 1 MLJ 68 that the second and third plaintiffs are separate companies with separate legal entities and the fact that they are a holding and a subsidiary company does not mean that the legal rights obtained by one can be attributed to the other. In the circumstances, it was argued that the second plaintiff cannot claim the benefit of any licence held by the third plaintiff, and therefore, the second plaintiff cannot claim to be prejudiced at all and thereby is not a party who is prejudicially affected to enable him to bring this action. With regard to the third plaintiff who is a licensee of Hunter Douglas (Asia) Ltd, and in respect of the tiles, it was submitted that there are no activities conducted by the third plaintiff which were relying on the trading by the subsidiary companies, namely Multi Resources Trading Sdn Bhd and Multi Resources Manufacturers Sdn Bhd.

In response to the issue of 'person aggrieved', the defence relied on *Russell-Clarke on Copyright in Industrial Designs* (5th Ed) at p 77 which reads:

> Anyone will be aggrieved who makes articles of the type to which the registration applies, and who, by reason of the presence of the registration, is debarred from making them according to the design in question.

A Based on this authority, the defence argued that the 'aggrieved person' has to be a person who makes articles of a type to whom the registration applies and that by reason of the presence of the registration, is debarred from making them according to the design in question. It was pointed out to me that the defendant had never — either in these proceedings or in the B proceedings in the case for infringement in the D4 action — contended that the first plaintiff's design registration and the tiles manufactured according to the same are of a type to which the plaintiffs are debarred from making the said tiles. On the contrary, it had always been the contention of the defendant that the respective tiles are different, and that they have their design and the defendant has its design and that neither C design infringes each other. Therefore, adopting the test laid out in Russell-Clarke, the plaintiffs are not prejudiced in any way.

Having carefully considered all the submissions and the authorities put before me by both parties, I granted the plaintiffs their declarations sought with costs. I now proceed to give my reasons for granting the said D declaration.

Locus standi

By way of encl 6, the defendant had sought leave to set aside encl 2 on the ground that the plaintiffs had no locus standi to bring this action under E s 5 of the Act. I had on 23 April 1996 converted the originating summons (encl 2) to a writ action and rejected the application for consolidation since the D4 action had already commenced. There was no appeal filed against that decision. Further, the defendant filed encl 15 and applied to strike out encl 2 under O 18 r 19 of the RHC on the ground that for the plaintiff to bring this action, they would have to prove that their interest F had been prejudicially affected pursuant to s 5 of the Act. I had also on 23 April 1996 dismissed encl 15. There was also no appeal filed against that decision. The question is, can the defendant raise again before me the issue of locus standi after I had dismissed encl 15, and when there has been no appeal against the decision? In *Hartecon JV Sdn Bhd & Anor v* G *Hartela Contractors Ltd* [1996] 2 MLJ 57, the Court of Appeal held that once a judge makes a ruling, substantive or procedural, final or interlocutory, it must be adhered to and may not be reopened. Referring to the facts of its case, the Court of Appeal further held that although the first decision was made on an interlocutory matter which was purely procedural in nature, it was nevertheless binding on the court and on all parties to the *lis* H until its reversal on appeal. The decision of the judge overruling the respondent's preliminary objection rendered the point taken res judicata.

In the circumstances, the issue of locus standi is no longer in question and the plaintiffs are persons whose interests have been prejudicially affected under s 5 of the Act.

I In any event, even if I am wrong, then, pursuant to encl 6, the plaintiff had sought and succeeded in having the originating summons (encl 2) converted into a writ action under O 28 r 8 of the RHC on the ground that there were conflicts of evidence and facts, and the law in respect of this would only be properly and satisfactorily resolved if oral evidence was adduced and witnesses cross-examined on their evidence.

Yet, no witnesses were called by the defendant. There was only a feeble attempt to question the locus standi of the plaintiffs by cross-examining PW1. I find that the defendant failed in this attempt because there was ample evidence that the recent advertisements referred to by the witness during cross-examination related to Multi Resources Trading Sdn Bhd, a subsidiary of the third plaintiff and Multi Resources Industries Sdn Bhd, the second plaintiff. The plaintiff had also tendered evidence to show that the Multi Resources Group of Companies had sold and promoted the 'Besalon' tiles.

I therefore find that so far as the entitlement of the plaintiffs to seek declaratory relief is concerned, the second and third plaintiffs, being manufacturers of roofing tiles which are the same or substantially the same as those covered by the defendant's registered design, must be persons aggrieved who therefore have the right to apply for the declaratory reliefs pursuant to s 5 of the Act. Further, there is the undisputed fact set out in the affidavit of the plaintiffs that the Multi Resources Group of Companies which include the first, second and third plaintiffs — more particularly the third plaintiff — manufactured, promoted and sold roofing tiles in respect of which the designs of the plaintiffs' roofing and the defendant's roofing tiles are in issue. This, in my view, would clearly make all three plaintiffs eligible parties whose 'interests have been prejudicially affected' (see *Teh Teik Boay*). Further, the plaintiffs' affidavit deposed as to the status of the third plaintiff as the manufacturer under licence from the Hunter Douglas Group of Companies of the then 'Luxalon' tiles. The said affidavit referred to the manufacturing, advertising and promotion of the subsequent named 'Besalon' tile by the Multi Resources Group of Companies and wherein it was averred that the second plaintiff and the other companies in the group were subsidiaries of the third plaintiff and all being part of the Multi Resource Group of Companies. I find that in the circumstances, there must therefore be a shared goodwill throughout the group and that shared goodwill must constitute all the plaintiffs as 'persons aggrieved'. The concept of shared goodwill has been accepted in a number of trade mark and passing off cases, the most notable of which are the English liquor cases involving champagne, sherry and so on. There is no dispute that the first plaintiff is the owner of Registered Design No 1,001,901, which the first plaintiff has licensed for use by the second plaintiff and the third plaintiff and their subsidiaries. The learned author of Russell-Clarke makes it clear that the fact that the defendant has a registration raises no presumption of validity, particularly where the invalidity arises as a result of prior publication not in the United Kingdom, but in another territory. A fortiori, nor can the proprietor of a design resist any claim to rectification of the register or a declaration pursuant to s 5 of the Act solely on the ground that because a registration has been obtained, it is inviolate from attack. I find that the second and third plaintiffs are entitled to institute these proceedings on the ground that their interests have been prejudicially affected by the defendant's Registered Design No 2,043,178. In any event, the defendant has not even challenged the plaintiffs' evidence that they have carried on business as manufacturers and/or sellers of roofing tiles to

which the first plaintiff's Registration Design No 1,001,901 had been applied, and which design is not substantially different from the defendant's registered design for some years. The very fact that the first plaintiff's Registered Design No 1,001,901 has been in existence since 10 August 1991 itself makes the first plaintiff 'an aggrieved person'. Further, s 20 of the (United Kingdom) Registered Designs Act 1949 enables the court to make an order rectifying the register on the application 'of any person aggrieved'. The provisions of the Act as applicable in West Malaysia provide in s 5 that the High Court shall have power on the application 'of any person who alleges that his interests have been prejudicially affected' to make a declaration that the rights and privileges of the United Kingdom registered design in question do not extend to the territory. I hold that there is no difference in substance between the words 'aggrieved' and 'prejudicially affected'. It is in my view apposite to quote a relevant passage from *Re Apollinaris Co's Trade Marks* [1891] 8 RPC 137 where Fry LJ said at p 162:

> When one trader uses the fact of registration as any part of his case against another trader in any legal proceedings, that second trader is aggrieved ...

In *Ritz Hotel Ltd v Charles of the Ritz Ltd* [1987–88] 12 IPR 147 McLelland J held that in a trade mark case, the words 'person aggrieved' had no special and technical meaning and were to be liberally construed. He further held that the expression included anyone who would be or in respect of whom there was a reasonable possibility of his being disadvantaged in a legal or practical sense by the register being unrectified. Having regard to the fact that the defendant has counterclaimed in the D4 action, it is inconceivable that the first plaintiff, as the party against whom the counterclaim has been made, is not a person aggrieved or, as McLelland J put it in *Ritz Hotel*'s case, a person who is disadvantaged in a legal or practical sense by the defendant's registration remaining on the design registry or at least extending to Malaysia.

Anyone who can show he is in some way prejudiced by the wrongful entry qualifies as a person aggrieved. This can include, but is not limited to, a person who is carrying on a trade in the same sort of goods as the articles for which the design is registered (see *Re Powell's Trade Mark* [1893] 2 Ch 388). The words 'person aggrieved' or 'prejudicially affected' have been given a wide interpretation as including all persons who have a real practical interest in the issue. This does not necessarily equate with manufacturing rights so long as the plaintiff can show that it has a real practical or genuine interest beyond that of a mere busybody (see *Re Kodiak Trade* [1987] RPC 269).

In the circumstances, I find that the evidence on behalf of the plaintiffs remain unchallenged and stand as proven facts. I also find that nowhere has the defendant addressed or disputed the issue that the Registered Design No 2,043,178 was published before the date of application or registration which makes the registration invalid in Malaysia. This, to me, is further confirmation of the fact that there are no issues of fact in dispute. It is obvious that the plaintiffs' case is based entirely on the defendant's admission of prior publication.

Prior publication

The defendant is the registered proprietor in the United Kingdom of Registered Design No 2,043,178 in respect of a roofing tile. There being no separate registration procedure in Malaysia, the United Kingdom registered design is deemed to extend to Malaysia to the extent that the registered proprietor of any United Kingdom registered design shall enjoy in West Malaysia, Sabah and Sarawak the like privileges and rights as though the United Kingdom design was effectively registered in West Malaysia, Sabah and Sarawak respectively — see s 3 of the Act, s 2 of the Sabah Ordinance and s 2 of the Sarawak Ordinance. Section 5 of the Act provides that the High Court shall have power, on the application of any person who alleges that his interests have been prejudicially affected, to declare that the exclusive privileges and rights in the United Kingdom registered design have not been acquired in West Malaysia under the provisions of the Act upon any of the grounds upon which the United Kingdom registered design might be cancelled. The applicable provision in force in Sabah is s 4, while the applicable provision in Sarawak is also s 4. The defendant's United Kingdom Registered Design No 2,043,178 which has been exhibited in an affidavit, is, on the face of it, a United Kingdom registered design and accordingly within the scope of the Act, the Sabah Ordinance and the Sarawak Ordinance, so that the privileges and rights applicable in the United Kingdom registered design, extend to Malaysia.

It is the law for the time being in force in the United Kingdom that for designs to be registrable and therefore to provide to the proprietor a statutory monopoly, they must be new or original. Section 1(2) of the Registered Design Act 1949 (United Kingdom) as amended by the Copyright, Designs and Patents Act 1988 (United Kingdom) provides that a design may be registered if it is new. In further elaboration of this, s 1(4) of the Registered Designs Act 1949 provides:

> 1(4) A design shall not be regarded as new for the purposes of this Act if it is the same as a design —
>
> (a) registered in respect of the same or any other article in pursuance of a prior application; or
>
> (b) published in the United Kingdom in respect of the same or any other article before the date of the application;
>
> or if it differs from such a design only in immaterial details or in features which are variants commonly used in the trade.

I therefore hold that prior publication or user will destroy any claim to novelty. I find that the question of prior publication and therefore novelty is determined in accordance with the state of prior publication in the country in which the protection is sought and that the issue relating to novelty is territorial. It is my conclusion that although the said English Registered Designs Act 1949 refers in s 1(4)(b) to prior publication in the United Kingdom, clearly, by logical application, the privileges as they extend to Malaysia will not extend, or may be invalidated, if there has been prior publication in Malaysia. It is as if the United Kingdom statute had

been supplanted into Malaysia with all necessary references to Malaysia being substituted for the United Kingdom. Thus, for a design to be registered in England, it requires that the design be novel in England. Similarly, for a design to be registrable in Malaysia, or more accurately for the privileges of an English registration to extend to Malaysia, requires that the design be novel in Malaysia. Any prior use or prior publication in Malaysia will therefore destroy the novelty. It may well be, however, that the novelty will still exist in the United Kingdom and original design registration may remain validly on the United Kingdom register in terms of novelty. This is simply because the question of novelty is territorial.

What amounts to prior publication is clearly stated by Russell-Clarke at p 44:

> Broadly speaking, there is publication if the design has been disclosed to the public as opposed to being kept secret. The question which has to be decided is, therefore, has the public been put in possession of the design? Has it knowledge of the design? It is not, of course, necessary that every member of the public shall possess the knowledge. It is sufficient, and there will be publication if the knowledge was either —
>
> (1) available to members of the public; or
>
> (2) actually in fact shown and disclosed to some individual member of the public who was under no obligation to keep it secret. It is not necessary that the design should have been actually used.

In conformity with the views expressed by the learned author, I hold that prior publication occur in two ways, namely, by prior user or manufacture of goods or objects to which the registered design has been applied, and secondly, by prior disclosure of the registered design in documents that are publicly available. It is for this reason that an applicant seeking to register a design must, at all costs, avoid any prior publication of the design before the application is filed in the United Kingdom Designs Registry. Further, where that same applicant seeks to acquire the benefit of the extensions of the protection to Malaysia, that same applicant must ensure that there is no prior disclosure of the design in Malaysia prior to the application to the designs registry in the United Kingdom. Prior use according to Russell-Clarke (at p 50):

> ... occurs where the design has been actually applied to articles before the date of registration of the design, and those articles have been used in such a way that the design becomes disclosed to the public.

From *Teh Teik Boay*, we gather that there will be publication if articles to which the design is applied are manufactured and used in such a way that members of the public might be exposed to them. It is not a requisite that the prior user should have been sold, although, if there is anything in the nature of profitable user by the owner of a design prior to registration, there will undoubtedly be publication (see also Russell-Clarke at p 51).

I find that the defendant's Registered Design No 2,043,178 was registered in the United Kingdom as of 9 November 1994 and was in force as of 9 November 1994, that date being the date of acceptance of the application by the designs registry. Therefore, any publication of the

design prior to 9 November 1994 will invalidate the design in Malaysia in which prior publication has taken place. In his affidavit, one Ng Hun Chew, a director of the defendant, deposed that the defendant had sold 'Rexy Bond' tiles in Malaysia since 1992, that is, for at least two years prior to the design application. The only question that arises is whether those tiles which the deponent referred to were the same tiles to which the design covered by Registered Design No 2,043,178 was applied. The answer supplied by the deponent himself is that, they were. In his affidavit affirmed on 17 November 1994, the said director described in detail the features of the defendant's 'Rexy Bond' tile. He illustrated the description by annexing as exhibit a series of drawings of the 'Rexy Bond' tile which drawings he deposed were the defendant's design for the 'Rexy Bond' roofing tiles. Those drawings, when compared with the drawings attached to the design certificate, are identical. That they are identical is clearly demonstrated by the comparison done as shown hereunder where the individual sketches are set out side by side for the purposes of comparison.

It is obvious that they are identical. I find it established from the evidence of the defendant that the design applied for on 9 November 1994 in the United Kingdom had been applied to tiles manufacture by the defendant in Malaysia since 1992. There has, therefore, been prior publication in Malaysia.

Upon any of the grounds upon which the United Kingdom registration might be cancelled under the law for the time being in force in the United Kingdom

For the position of the law in the United Kingdom, it is apposite to quote a passage from *Design: The Modern Law and Practice* (1987) by Morris and Barry Quest at p 204:

> Any 'interested party' can apply to the registrar for a registered design to be cancelled on any of the following grounds (s 11(2) and (2A)):
>
> (i) the design was not new or original at its date of registration;
>
> (ii) any other ground on which the registrar could have refused to register the design; or
>
> (iii) the design qualified for registration under the provisions of s 6(4) and copyright in the relevant artistic work has now expired.
>
> Cancellation proceedings cannot be filed by a nominee or anonymously. The applicant must be an interested party, ie someone who has an existing genuine commercial interest, eg a person involved in the manufacture of articles of the same general kind as the article to which the registered design is applied or who is the proprietor of a similar registered design.

The second and third plaintiffs are manufacturers and sellers. The first plaintiff is the proprietor of a similar registered design. I find that *Teh Teik Boay*'s case is relevant to the instant case. The plaintiffs here are also prejudicially affected parties on account of the defendant being in the same trade as the plaintiffs and obtaining registration of a design which not only resembles the design of the plaintiffs' product, but was also published prior to its application for registration.

The defendant had also contended that because there is a counterclaim for declaratory relief in the D4 action, if that is to succeed, then the plaintiffs will have no basis with regard to the instant case. This argument is totally misconceived. It is argued that if the counterclaim successfully seeks a declaration that the plaintiffs' registered design does not extend to Malaysia, then the plaintiffs will no longer be persons aggrieved. The fact that the plaintiffs may have their own registered design invalidated does not in any way prevent the plaintiffs from continuing to manufacture a roofing tile to which a design of the same appearance as that in the registration is applied. The plaintiffs will always have their separate rights at common law for passing off and the reputation that their product has in terms of its get-up. Accordingly, it will still remain the case that the defendant would seek to raise against the plaintiffs, the defendant's registration as an issue in this suit. The fact that the plaintiffs may have their own earlier registration becomes in that context wholly irrelevant and the fact that the defendant may raise by way of defence or counterclaim its own registration further proves the point that the plaintiffs are and remain at all times the persons aggrieved. It is, in my view, not necessary for the 'persons aggrieved' to be the registered proprietor of a design. That person may simply have a genuine business or trading interest. This will include any person who has a legitimate trading interest within the territorial ambit of the registration (see *Vlisco BV's Application* [1980] RPC 509).

I now have to consider the attack made by the defendant as against each of the three plaintiffs as to whether each of them is prejudicially affected. As for the first plaintiff ,whether it carries on any manufacturing rights or not is irrelevant. It is the registered proprietor of Design No 1,001,901. As proprietor of the design, it has the right to carry on manufacturing or alternatively to licence others to manufacture and/or sell. That being so, it has a monopoly with respect to its design and that must give it the status of being a person prejudicially affected. As Russell-Clarke states at p 94, it is the right of the registered proprietor of the design to bring an action for its infringement. The registered proprietor is the person whose name, at the time in question, is entered upon the register as proprietor. By parity of reasoning, it must surely be the case that the registered proprietor equally has standing to bring an action for a declaratory relief against anyone who has registered a similar design.

With regard to the second plaintiff, most of the advertising of the 'Besalon' tile was carried out by the second plaintiff as exhibited in the plaintiffs' affidavits. The third plaintiff is the holding company for the Multi Resources Group of Companies. Notwithstanding that the law provides that a holding company and its subsidiary are different legal entities, the holding company is entitled to enforce the collective or shared goodwill of the group. The liquor cases, that is, all those entitled for the time being to use champagne, sherry, whisky or advocaat for their products are clear authority for the principle that goodwill can be shared and that a trading house that does little more than act as the central agent for a number of proprietors can properly represent those proprietors by seeking to enforce shared or joint goodwill. With regard to the defendant's reliance

on *People's Insurance*'s case, what that case decided was that the parent (holding) and subsidiary companies are two separate legal entities. That I accept as trite law. But what the plaintiffs in the instant case are contending is that the third plaintiff, albeit a holding company, is seeking the declaration not just as a holding company, but in its own right, first as a manufacturer of the tiles under licence from Hunter Douglas, and subsequently, as the owner of the shared goodwill in the tile trade of the Multi Resources Group of Companies. This I hold they are entitled to do.

In the circumstances, I find that the United Kingdom Design Registration No 2,043,178 is not enforceable in West Malaysia, Sabah and/or Sarawak respectively and that the plaintiffs are entitled to prayers (1), (2) and (3) of the declaratory reliefs sought.

Order accordingly.

Reported by K Tang-Wai